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## The Greek investments in the Balkans

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**Abstract** The Balkan countries have made significant progress in their efforts to become a functioning market economy, although we would say they are not yet able to cope with competitive pressures and market forces within the European Union. The volume of capital invested in these countries is very limited and there is a lack of western investment interest.

Given this situation, Greek businessmen have found the ground to make large enough investments in relation to the financial figures of Greece.

However, some 25 Greek multinationals have invested 80% of total Greek FDI (Foreign Direct Investment) output across the Balkan region. At the same time, some 3,000 active Greek companies out of the 8,000-10,000 registered have offered and are offering value-added activities in the Balkan economies such as new jobs, better quality products, a wider variety of products and increased production.

The Balkan countries, although economically lagging behind those of Central Europe, still have significant growth prospects. There are also strong signs of economic recovery-development and political-social stability and respect for human rights in the wider Balkans.

Therefore, there are several investment opportunities especially for Greek companies given the lack of investment interest from Western multinationals. SEE (Southeastern Europe) countries have the prospect of achieving the goal of European convergence in the decade ahead, as well as Greek companies have the opportunity to capitalize on these markets.

**Keywords** Greek investments in the Balkans, Investments of the Greek groups, Volume of trade, Greece's balance sheet, Imports from Greece, Main exported products

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### Introduction

#### **Greek companies are strengthening their international presence**

Greeks may be reluctant to invest in their country, but not abroad. Particularly in recent years, Greek investment abroad is growing at a rate approaching 50% annually.

Indicatively, in 2005 total foreign direct investment was almost 11 billion euros and portfolio investment (equities and bonds) almost 70 billion euros. Direct investment now exceeds 15 billion euros. In this way, Greek companies are strengthening their international presence and, consequently, their revenues. Greek business executives with intense extroversion estimate that 2 billion euros of profits annually are imported to Greece, equivalent to about 1% of GDP, thereby premiuming growth rates of 0.1-0.2 percentage points.

However, the geographical spread of Greek investments in various countries around the globe is impressive. The Balkans and Turkey are the main countries of preference and mainly concern the expansion of Greek businesses, especially banks.

The Balkans, due to their geographical advantages, continue to be a major attraction for Greek investments, and data from the Special Research Fund Account show that the largest share of Greek investment pie in the region (1,4 billion euros) was channeled to Romania, while 1.2 billion euros was invested in Bulgaria. Albania and



North Macedonia follow the list of preferred destinations with Greek investments of 840 million euros and 352 million euros respectively.

It results from the individual investments of the Greek groups that the biggest investment in Balkans has been done by **OTE** (Hellenic Telecommunications Organization) which has invested more than € 1.5 billion in the Balkans, followed by the **banking sector** with all major institutions having a significant presence in the wider region.

Outside the Balkans, the largest investment, about 5 billion euros, has been made by Coca-Cola's Greek subsidiary, followed by OTE with about 1 billion euros, Titan Group and others.

By sector, in the Balkans, the highest volume of investment is in high technology (1.6 billion euros), financial products (1 billion euros), while outside the Balkans, the highest investment of 2 billion euros is in the food and beverage sector.

### **Albania**

The proximity of the two countries, easy access by road and the flow of Albanian citizens to Greece in recent decades, are important contributors to enhancing business cooperation between the two countries.

In particular, the large migratory stream of recent years to Greece has created a population of over one million, who has at times lived, worked, or studied in Greece and has thus become accustomed to Greek consumption and eating habits, as well and more generally with the Greek products and services that he would choose to consume in his own country as long as he can locate it in the local market. This is a potential consumer audience for Greek companies wishing to export to Albania. The use of the Greek language is very widespread, especially in Southern Albania and this helps in communicating and familiarizing with the potential partner.

The proximity of the two countries combined with low taxation and cheap labor (the basic monthly wage is around 155 euros) are also important criteria for the development of investment projects in Albania by Greek companies. It is noted that the age composition of the population is characterized by a high proportion of people of productive age. Of course, the above should take into account Albania's steady economic growth trajectory, which is expected to grow at around 3% in the coming years, despite the economic crisis affecting its neighboring countries and two of the most important trading partners, Italy and Greece.

### **Bulgaria: Greek investments returned in 2000**

The economic crisis that has plagued the Greek economy in recent years has also been reflected in the presence of Greek businesses in the Balkans, where exists investment stagnation or shrinkage in most cases.

With the onset of the crisis in Europe, **Bulgaria** has experienced a decline in FDI inflows, particularly in the case of Greek companies reminiscent of the early 2000s.

Despite the decline, however, Greek investments in its neighbor remain high. Greek companies have invested more than 3.5 billion euros in cumulative real estate investment and created over 45,000 jobs. If the affiliated companies are also taken into account, the total number of jobs exceeds 70,000. Here is a reminder that the peak of FDI flows in Bulgaria was pre-accession and with the country's EU accession in 2007.

### **No new investments in North Macedonia**

In North Macedonia, although there is no de-investment of Greek funds, no new investments are recorded. Greece ranks third among foreign investors in North Macedonia - as well as Bulgaria - having invested more than 1 billion euros in the country. Overall, Greek investments, mainly in the banking, energy and retail sectors, is estimated that they have created 20,000 jobs.

### **Small businesses "discovered" Serbia**

In Serbia, with 2.5 billion euros of invested capital that entered the country mainly during 2001-2008, Greece remains the third largest investor, with Greek companies estimated to have also created more than 20,000 jobs. The crisis in Greece has slightly affected the inflows of Greek investments in Serbia, but at the same time in recent years we have seen small and medium-sized Greek businesses coming to the country.



### What does Greek investment in the Balkans show?

#### -- What is the position of Greek businesses interests in FDI (*Foreign Direct Investment*) in the Balkans?

Greece ranked first in 2010 in foreign direct investment in Albania, at 26% - 28%, according to the Greek embassy in Tirana. Italy (15.19%), Austria (13.71%) and Canada (10.61%) followed, according to data from the Central Bank of Albania.

Greek investments in Albania mainly concern the banking sector, telecommunications, health services, fuel, construction, computer science, manufacturing and marketing of building materials, legal services, accounting and consulting services, the food industry, textile industry, footwear and more.

In **North Macedonia**, according to the country's Central Bank data, Greece invested a total of 390.48 million euros in 1997-2011 (10.7% of total foreign investment in the country) and ranks fourth investor country after the Netherlands (total investment EUR 744.99 million), Austria (EUR 416.76 million) and Slovenia (EUR 405.66 million).

According to Bloomberg [28], **Bulgaria** currently ranks 42nd on the "Best Countries for Doing Business" list, while a few years ago it was able to reach the 6th position on that list. Also, World Bank's [25] Business Facilitation List ranks Bulgaria 61th in the world.

In **Bulgaria**, the largest foreign direct investment (FDI) in the first two months of 2013 came from Greece (€ 9.4 million), Luxembourg (€ 7.9 million), Russia (€ 6.7 million). and Austria (6.1m euros), according to a news release from the Sofia Bureau of Economic and Trade Affairs for April 2013. Even in the first quarter of 2012, 82 new companies were founded by Greek natural or legal entities in **Bulgaria**.

Greek companies remain one of the three largest investors in **Serbia**, along with Austrians and Italians, with total investments of more than 2 billion euros in sectors such as banks, hotels, real estate, cement, etc.

From 2002 until the end of 2010, the countries that had invested in **Turkey** amounted to 154. FDI inflows in the same period amounted to \$ 75 billion, of which 55 billion (73%) were from 27 EU countries. The Netherlands tops the list with \$ 14,144 million (an intermediate base for other countries for tax purposes), the US with \$ 6,686 million and Greece with \$ 6,483 million.

**Romania** is located in Southeast Europe, at the strategic crossroads of the European Union (EU), the Commonwealth of Independent States and the Middle East [29]. It is the seventh largest EU member state in population. Benefits for Greek companies wishing to export their products to Romania include:

- Domestic market of almost 20 million consumers.
- English and secondly Greek are widespread.
- The country is seen as a gateway to the Commonwealth and Balkan markets.
- Low cost flights [on other smaller consumer-based markets] between Romania and Greece

In **Romania**, at the end of 2011, Greek interest companies operating in the country reached 5,202, up from 4,943 a year earlier. According to the Greek Embassy in Bucharest, in the course of 2011 and despite the crisis, more than 250 new Greek interest companies were established in Romania.

According to Romania's National Trade Registry Office (Oficiul National al Registrului Comertului) (*ONRC*), Greek capital invested in Romania exceeded 1.72 billion euros as of 31/12/2011. Romania's Central Bank raises the value of Greek investments to 3 billion euros and the Greek embassy in Bucharest - taking into account investments of subsidiaries based in third countries (eg Cyprus) - to 4 billion euros. Greece ranks 4th to 5th on the list of most FDI countries in Romania. The total number of employees in Greek companies is over 35,000, mainly telecommunications - banks.

### What is sold in each country

Of particular interest are the ongoing privatization programs in Bulgaria, Romania, North Macedonia and Albania, where even the assets left over after the collapse of the pyramid banking schemes are sold. According to information provided by the Ministry of National Economy and available to all investors, the economic situation in neighboring countries is as follows:

**BULGARIA:** Privatization is at the heart of the Bulgarian government's economic policy. Privatization revenue has exceeded \$ 835 million in recent years, with \$ 94 million in capital market revenue to be added.



Foreign capital has totaled \$ 10.44 billion in Bulgaria. Greek interest companies account for 10% of invested foreign capital and Greece ranks third. Part of the investments of Greek interests have been made through Luxembourg and Cyprus. There are around 4,000 Greek-owned businesses employing around 4,000, most of them working in factories in southern Bulgaria that are garment production units.

Food and beverages rank second in Greek investments in Bulgaria, while Greek companies still produce aluminum, paper, telecommunications, packaging products and more.

The most important Greek investment is the acquisition of Post Bank by EFG Eurobank.

**ROMANIA:** The privatization program in Romania is progressing slowly. As the Greek government estimates, frequent amendments to privatization legislation in combination with the Romanian government's often-defensive tendency have led to continued postponement of acquisition agreements with the FPS (State Property Fund).

However, privatization in Romania does not cease to attract much international attention as the number of businesses to privatize is huge. The program still has 4,800 companies to privatize since the 8,000 that started in 1992, including large companies such as:

- \* the Dacia automaker, the national tobacco company, Sidex steel and, in the banking sector, the Banc Post, of which Greek interest was also expressed, the Bancorex, a foreign trade bank, the Agricultural Bank and the Commercial Bank of Romania. The methods of privatization followed by FPS are auctions, direct selling, sale of companies through the parallel Rasdaq market, and stock exchange on the Bucharest Stock Exchange.

The main privatizations made are: Rom Telecom to OTE, Petrotel to Russian Lukoil, Moldcim to Germany's Heidelberger Zement AG and Romanian development bank Romanian Societe Generale to France.

**ALBANIA:** With three laws passed in 1998, the Albanian government proceeds to privatize the country's major industrial plants, even in the strategic sectors of its economy.

All state-owned companies have been included in the privatization program in the following areas:

- \* transport, banks, telecommunications, electricity, oil, gas, water. Mines, cement, breweries, tobacco, metallurgical and chemical industries, hotels and mixed state-owned companies are also being privatized. Deloitte & Touche, which had taken over the management of four pyramid schemes (Vefa, Kamberi, Leka, Silva), completed the registration of assets and proceeded with their sale. The value of these assets was estimated at \$ 50 million.

There are about 250 Greek companies operating in Albania and employing more than 3,900 employees. There is special interest from the Greek side in the involvement of construction companies in road projects in Albania.

**NORTH MACEDONIA:** Greece was in the forefront of foreign investment in the former Yugoslav Republic of Macedonia at the beginning of 1999. The amount of Greek direct investment that has been implemented or is in progress exceeds \$ 250 million (including the planned investment in the construction of the oil pipeline).

In addition to the oil sector, Greek investments have been made in the cement industry, the tobacco industry, the food and beverage industry, and ready-made garments.

The most important investments in terms of invested capital are:

- \* the acquisition agreement for the Okta refineries and the construction of the Thessaloniki-Skopje oil pipeline,
- \* the acquisition of the local Usle cement company by the Titan consortium with Swiss Holderbank,
- \* the acquisition of Strumica Tabak by Michailides Tobacco,
- \* the Mytileneos Holdings Mine Deal of Zletovo-Sasa.
- \* the acquisition of Pivara Skopje by Balkanbres Holding (joint venture of Athenian Brewery and 3E).

Kosovo crisis drastically changed estimates of country's ability to enter a period of economic stability and growth due to the high dependence of foreign trade on the Federal Republic of Yugoslavia's market.

## THE GREEK INVESTMENTS IN THE BALKANS

### Albania

Greece holds about 27% of all foreign investment in Albania and the first place in invested capital, exceeding \$ 800m. The approximately 270 Greek and Greek companies are mainly active in the fields of



telecommunications, commercial banking, contracting and construction, tobacco trading, marketing and distribution of oil and petroleum products, textiles, food and clothing and footwear.

Among the Greek companies in Albania are listed: four banks – National Bank, Emporiki Bank, Piraeus Tirana Bank subsidiary and Alpha Bank- constantly expanding, mobile companies Albanian Mobile Communications (interests Cosmote) and Vodafone (interests Vodafone Greece).

The Titan cement industry is making a significant investment of around € 200m to build an industrial plant. Greek banks, such as Alpha Bank, National Bank and Emporiki Bank, have high rates in the banking market in the areas of loans, deposits and profits.

In the construction sector, where Greek companies hold 30% -40% of the domestic market, DIEKAT SA, GEK Terna, Atermon, Alpha Delta Ltd., MT Constructions Ltd., Egnatia SA, MT Fidias Ltd. are active. DIEKAT SA this year undertook the task of upgrading the electricity distribution networks on behalf of Kesh Sha, amounting to EUR 6,847 million, financed by the EBRD. Prometheus Gas SA (of the Kopelouzos group) signed a Memorandum of Understanding with the Albanian government on the energy interconnection of Albania with the gas pipeline of Western Macedonia (with the construction of a 320km long power plant and the creation of a power plant) on 2.8.2006. from natural gas in Koritsa).

#### Bilateral trade between Greece and Albania

Volume of trade	<b>2018:</b> 65.23 billion ALL (€526.08 million), <b>2017:</b> 61.48 billion ALL (€457.86 million) <b>2016:</b> 56.81 billion ALL (€413.53 million), <b>2015:</b> 52.23 billion ALL (€373.07 million) <b>2014:</b> 60.91 billion ALL (€435.04 million)
Greece's balance sheet	<b>2018:</b> 38.97 billion ALL (€314.25 million), <b>2017:</b> 38.27 billion ALL (€285.05 million) <b>2016:</b> 34.51 billion ALL (€251.19 million), <b>2015:</b> ALL 33.21 billion (€ 237.19 million), <b>2014:</b> ALL 43.21 billion (€ 308.64 million)
Albanian imports from Greece	<b>2018:</b> 52.10 billion ALL (€420.17 m), <b>2017:</b> 49.88 billion ALL (€371.46 m) <b>2016:</b> 45.66 billion ALL (€332.36 m), <b>2015:</b> 42.72 billion ALL (€ 305.13 m), <b>2014:</b> 52.06 billion ALL (€ 371.84m)
Main imported products	<b>2018:</b> (HS 27) fossil fuels (8.52%), (HS 72) iron – steel (6.50%), (HS 39) plastics (3.59%), (HS 48) paper and paperboard (3.02%), (HS 24) tobacco (2.91%), (HS 08) edible fruit (2.54%), (HS 20) vegetable preparations, fruit and nuts (2.29%), (HS 30) medicinal products (2.54), (HS 01) live animals (2.11%) and (HS 84) boilers, machines, appliances (2,04%) <b>2017:</b> ( HS 27) fossil fuels (8.52%), (HS 72) iron – steel (6.50%), (HS 39) plastics (3.59%), (HS 48) paper and paperboard (3.02%), (HS 24) tobacco (2.91%), (HS 08) edible fruit (2.54%), (HS 20) vegetable preparations, fruit and nuts (2.29%), (HS 30) medicinal products (2.54), (HS 01) live animals (2.11%) and (HS 84) boilers, machines, appliances (2,04%) <b>2016:</b> (HS 27) fossil fuels (12.81%), (HS 72) iron – steel (7.08%), (HS 39) plastics (6.16%), (HS 08) edible fruits and fruit (5.18%), (HS 24) tobacco (4.62%), (HS 48) paper and cardboard (4.39%), (HS 84) boilers, machinery, appliances (3.68%), (HS 01) live animals (3.61%), (HS 20) vegetable, fruit and nut preparations (3.40%), and (HS 73) articles of iron and steel (2.77%). <b>2015:</b> (HS 27) fossil fuels (12.66%), (HS 72) iron and steel (6.87%), (HS 39) plastics (6.13%), (HS 24) tobacco (4.79%), (HS 01) live animals (4.43%) (HS 08) edible fruits and fruits (4.13%), (HS 48) paper and paperboard (4.08%), (HS 84) boilers, machines, apparatus (3.90%) ), (HS 20) preparations of vegetables, fruits and nuts (3.15%), and (HS 73) iron and steel articles (2.70%).
Albanian exports to Greece	<b>2018:</b> 13.13 billion ALL (€105.91 million), <b>2017:</b> 11.60 billion ALL (€86.40 million) <b>2016:</b> 11.15 billion ALL (€81.17 million), <b>2015:</b> 9.51 billion ALL (€67.94 million) <b>2014:</b> ALL 8.85 billion (€ 63.21 million)
Main exported	<b>2018:</b> (HS 62) garments and clothing accessories, not knitted or crocheted (23.27%), (HS 61) apparel and clothing supplements (20.85%), (HS 20) vegetable preparations, fruit and nuts



products (9.48%), (HS 48) paper and paperboard (5.06%), (HS 72) iron – steel (4.70%), (HS 76) aluminium and articles (4.49%), (HS 44) wood and wood articles (3.01%) and (HS 73) articles of iron and steel (2.98%)

**2017:** (HS 62) garments and clothing accessories, not knitted or crocheted (23.27%), (HS 61) apparel and clothing supplements (20.85%), (HS 20) vegetable preparations, fruit and nuts (9.48%), (HS 48) paper and paperboard (5.06%), (HS 72) iron – steel (4.70%), (HS 76) aluminium and articles (4.49%), (HS 44) wood and wood articles (3.01%) and (HS 73) articles of iron and steel (2.98%)

**2016:** (HS 62) garments and clothing supplements, not knitted or crocheted (23.05%), (HS 61) apparel and clothing supplements (16.50%), (HS 72) iron – steel (8.80%), (HS 20) vegetable preparations, fruit and nuts (8.00%), (HS 48) paper and paperboard (5.00%), (HS 76) aluminium and articles (4.90%), (HS 24) tobacco (4.60%), (HS 07) edible vegetables and cereals (3.07%) and (HS 44) wood and articles of wood (2,80%)

**2015:** (HS 61) clothing and clothing accessories (19.93%), (HS 62) apparel and clothing accessories, not knitted (18.06%), (HS 20) vegetable, fruit and nuts preparations (8.41%), (HS 27) fossil fuels (6.06%), (HS 72) iron and steel (6,61%), (HS 48) paper and paperboard (5.03%), (HS 76) aluminum and articles (4.39%), (HS 24) tobacco (4.25%), (HS 07) edible vegetables and cereals (3.07%) and (HS 44) wood and articles of wood (2.99%).

Sources: [1] Hellenic - Albanian Business Relations Index 2016 – 2017 (Page 204 )

[2]Doing Business in Albania 2017 (Page 10)

[3]Doing Business in Albania 2018 (Page 10-11)

[4]Doing Business in Albania 2019 (Page 10-11)

## Bulgaria

Overall, Greek investments in Bulgaria for the period 1992 to 2006 exceeded 1.5 billion euros, accounting for 10% of total foreign direct investment in that country and third after Austria and the Netherlands. In particular, Greek banks hold 23.6% of total bank funds.

The Greek investment presence has remained stable for the last six years, with investments of around € 200 million per year, with higher investments than in 2002. In fact, Greek business investment activity differs from official Bulgarian data, as they do not include investments that come from available funds or profits or are the result of bank lending or come from a third country. During the last decade, the Greek capital held the leading position in Bulgaria for a long time.

Active Greek companies amount to about 1,500 (with more than 3,000 registered companies in Bulgaria) and have created many tens of thousands of jobs, especially in Southern Bulgaria where clothing and footwear factories operate. It should be noted that the Greek business presence in Bulgaria is particularly dynamic in the areas of services (mainly banks), infrastructure, food / beverage industry, minerals, trade and clothing distribution and production networks.

In July 2003, the second Bulgarian-language private television license was awarded to the Greek interests Nova TV (Ant1). In recent years EKO - ELDA - Bulgaria has made significant investments.

The Athens Stock Exchange has expressed interest in privatizing 44% of the Sofia Stock Exchange and cooperating with the Sofia Stock Exchange according to the standards of cooperation with the Nicosia Stock Exchange. Partnership development opportunities are also identified in defense industry products.

In 2004, a consortium of construction companies MT ATE, Ermon SA and Domokat SA undertook the project of designing, constructing and installing equipment at a Razlog municipal wastewater treatment plant (on the banks of the Nestos River), totaling \$ 4.85 million euros. Progressive is repairing the Sandovo - Razlog road. Greek company Terna SA selected for the reconstruction and electrification of a 37.7 km section of the Plovdiv - Svilengrad railway line in the Krumovo - Parvomay area (project co-financed by EU, ISPA program).



**North Macedonia**

Greece ranks first among foreign investors in North Macedonia over the past 11 years. The amount of total Greek investment implemented or in the process of implementation amounts to approximately EUR 950 million (including the total value of the capital associated with the operation of the second mobile telephony network and the construction costs of the Thessaloniki-Skopje pipeline).

Greek investments mainly concern the following sectors: food - soft drinks (bakery, ice cream, beer, non-alcoholic beverages), energy - oil, cement industry, mines, marbles, banks, tobacco industry, ready-made garments and accessories commercial companies and agencies.

**Romania**

According to official Romanian data, our country ranks ninth among foreign investors in Romania with a total invested capital of EUR 505.5 million (official data does not include transfers of Greek investment funds through Cyprus, Luxembourg, Ireland, the Netherlands etc.). However, according to more accurate estimates, Greece ranks among the top three foreign investors (the largest Greek investments in the Balkans have been made in Romania), with some 800 active companies and with total Greek capital invested at over EUR 3 billion, taking into account the increase in capital by OTE-Romtelecom in 2002, the acquisition of Bank Post's Eurobank shares in 2002 and 2003, and the acquisition of a majority stake in NBG Bank Romaneska in 2003.

It should be noted that OTE acquired a majority stake in Romtelecom in 2002 (it holds 54%), following strenuous negotiations and with the Romanian government's final approval for this additional acquisition of shares. On 27 May 2005, Cosmote and Romtelecom signed an agreement to acquire 70% of Cosmorom's mobile phone company, with Cosmote's € 120 million stake in Cosmorom's share capital increase. Furthermore, in October 2005 OTE sold Cosmote its mobile phone companies in the Balkans. So Cosmote owns 70% of Cosmote Romania (Cosmorom).

Following the National Bank of Greece's acquisition of 81.6% of Banca Romanesca's equity stake, the Greek banking sector now ranks second among foreign investors in the sector with 15.4%, after Austria, according to with recent data from Romania's central bank. The acquisition of 57.13% of MindBank by ATE was also signed. Looking at all Greek investments, it is observed that they cover a wide range of economic activities: banking, telecommunications, consulting and financial services, construction, food - beverages, shipping, textiles, information technology, insurance, packaging, plastics, pharmaceuticals, cosmetics, cosmetics aquaculture.

**Serbia**

Greece is the first foreign investor in Serbia. According to official figures from the Serbian Investment Promotion Agency for direct investment, Greek investments occupy the fourth position in 2001-2004, with the amount of capital invested reaching \$ 122.12 million. do not include investments made before 2001, investments by offshore companies, investments in Montenegro, as well as in-kind investments, concessions etc. Greek direct investment (since 1996) amounts to € 1.8 billion. Total Greek invested capital (including direct and other investment) amounts to 2.1 billion euros. The presence of 150 mixed Greek-Yugoslav companies, as well as about 120 purely Greek companies, is noted.

Among the leading Greek companies operating in Serbia are the OTE telecommunications companies (acquired 20% of Telecom Serbia in 1997), Intracom (telecom Serbia's supplier of cards), National Banks (12 branches), Alpha Bank (branches). Serbian Jubanka), Eurobank Ergasias (branches and Post Bank), Piraeus (Atlas Banka) and ETEVA (representative office), HLPE (Yugopetrol and EKO-YU), Delta Food Industries (Delyug Production Unit), 3E Coca- Cola (Fresh Co), Athenian Brewery.

**Bosnia and Herzegovina (Doing Business in Bosnia and Herzegovina)****General notes**

Bosnia and Herzegovina is part of the so-called transition economy and has a population of 3.53 million, according to the October 2013 census final data released on 30/6/2016. GDP per capita for 2015 amounted to EUR 3,821, while total nominal GDP amounted to EUR 14.6 billion. According to the ECB's Central Bank



financial data, GDP growth rate for 2015 was 2.8%, while for 2016 estimates are just as optimistic, suggesting a rate of 2.3%. % and 3.1% subject to the implementation of the necessary economic reforms.

Bosnia and Herzegovina has until recently been a "potential candidate" for EU membership, mainly due to lagging behind in promoting political and economic reforms. On 1 June 2015, the Bosnia and Herzegovina-EU Stabilization and Association Agreement (SAA) entered into force and the country formally applied for EU membership on 15 February 2016.

According to Bosnia and Herzegovina's Central Bank, Bosnia and Herzegovina's Foreign Direct Investment-FDI for 2014 amounted to € 378 million, while for the nine-month period of 2015 it reached € 199 million. The year in which Bosnia and Herzegovina recorded the highest amount of investment was 2007, with capital flowing into the country at 1.32 billion euros. The majority of FDI in Bosnia and Herzegovina over the last three years (2012-2015) came from Russia, Austria, Croatia, Serbia, Kuwait and the United Kingdom. The largest investor in Bosnia and Herzegovina over the years is Austria, with total registered investments of € 1.25 billion from May 1994 to September 2014, representing 21.1% of total FDI in the country.

It is noteworthy that according to the World Bank's "Doing Business in Bosnia and Herzegovina 2020 report" [27], Bosnia and Herzegovina was ranked 90th out of 190 countries, the lowest ranking in the Western Balkans. However, Bosnia and Herzegovina has been trying in recent years to make its business environment more attractive to foreign investors. In general, the advantages that the country presents and promotes in order to attract FDI are the following: i) its strategic location in SE Europe, ii) the availability of natural resources and the beautiful and largely exploitable (mainly tourist) natural environment (iii) the long industrial tradition in different sectors since the time of the single Yugoslavia; (iv) the abundance of the industrial zone; (v) the availability of production facilities; (vi) the favorable legal-institutional status governing FDI; (vii) the low tax rates; p business executives, viii) availability of high education and low labor costs, ix) monetary stability (domestic currency, BAM, is linked to the euro at a constant rate: 1 BAM = 0.511292 EUR, 1 EUR = 1.95583 BAM x) the country's participation in bilateral and regional Free Trade Agreements; and xi) the country's European perspective.

In the area of trade, it is characteristic that Bosnia and Herzegovina imports twice as much goods as it exports per year, traditionally registering large deficits in its trade balance. The country is on the verge of joining the World Trade Organization.

Greece for 2015 exported a total of 89.5m euros worth of goods to Bosnia and Herzegovina and imported goods from Bosnia and Herzegovina worth 8.5m euros. Greece for 2015 was the 18th most important trading partner of the BCE, while Greek products and services accounted for 1.1% of Bosnia and Herzegovina's total imports in the same year.

The main export products of our country to Bosnia and Herzegovina are traditionally aluminum and aluminum products.

It is noteworthy to mention that in this product category - and in particular tariff heading '2818' (Corundum artificial, chemically defined or not. Aluminum oxide. Aluminum hydroxide) - our country is the first export market power of Bosnia and Herzegovina in the last four years (2012-15), having succeeded in "displacing" second and third place in the ranking relative to neighboring countries Serbia and Croatia.

Our exports of aluminum and aluminum products to Bosnia and Herzegovina for 2015 amounted to € 50.9 million, representing more than half (56.78%) of our total exports to Bosnia and Herzegovina.

Other exported products of our country to Bosnia and Herzegovina are: fruits and vegetables (mainly fresh or dried citrus fruits), aromatic oils, raw leather-skins, plastics, rubber, rubber, metals and their products and inorganic and various food preparations.

Greece's investment presence in Bosnia and Herzegovina is limited. About 15 Greek companies, the most important being the bottling company "Coca-Cola Hellenic Beverages Bosnia and Herzegovina d.o. Sarajevo", the aluminum company ALUMIL and the wood processing company "Kolligas", are active in Bosnia and Herzegovina market.

According to Bosnia and Herzegovina's Foreign Investment Promotion Agency (FIPA) data, the total amount of Greek investments from May 1994 to June 2010 is approximately BAM 4.2 million (approximately 2.2 million





BAM). euro). For the period January 2009 to September 2014 available data, officially registered investments from Greece amount to BAM 15,908 (approximately EUR 8,134).

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